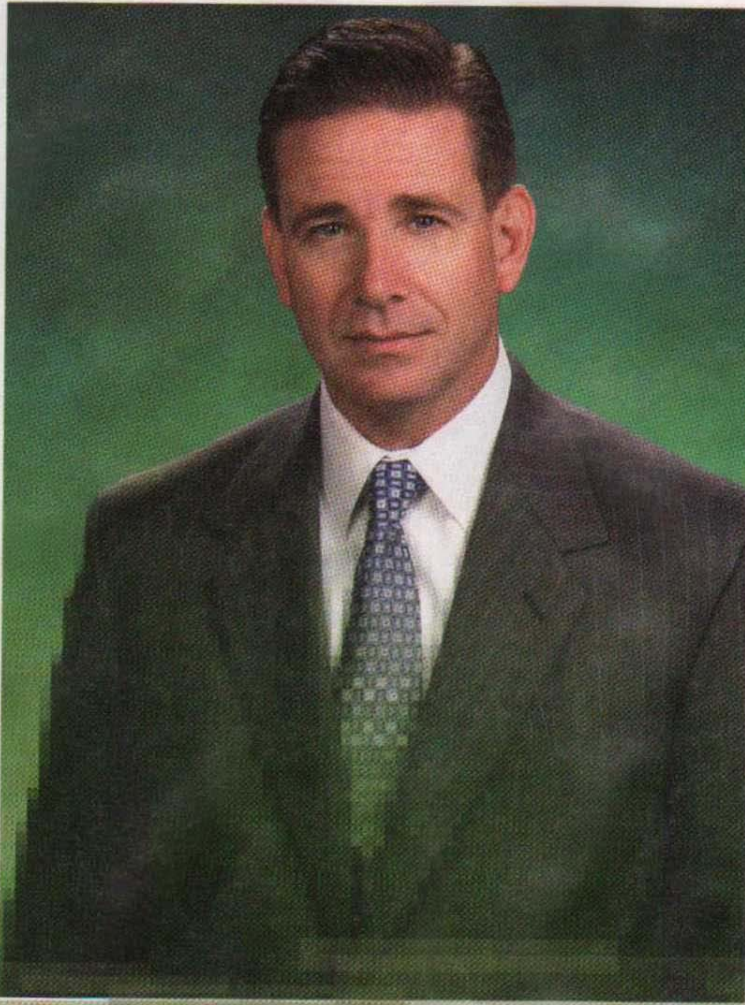


OCMETRO

SPECIAL COLLECTOR'S ISSUE

FEATURE STORY | Banking Experts



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Entrepreneurs seeking capital must learn to take a step back as business owners think of their new ventures from the perspective of a potential lender. By doing so, an entrepreneur can identify the true value of his or her innovative idea and cultivate an effective strategy to gain capital. The biggest challenge facing startups is a lack of history. Without much data to analyze, lenders find it difficult to gauge how well a company will perform. Developing a realistic blueprint of what the business is going to accomplish in the next three to five years is a critical step in obtaining funding on the front end.

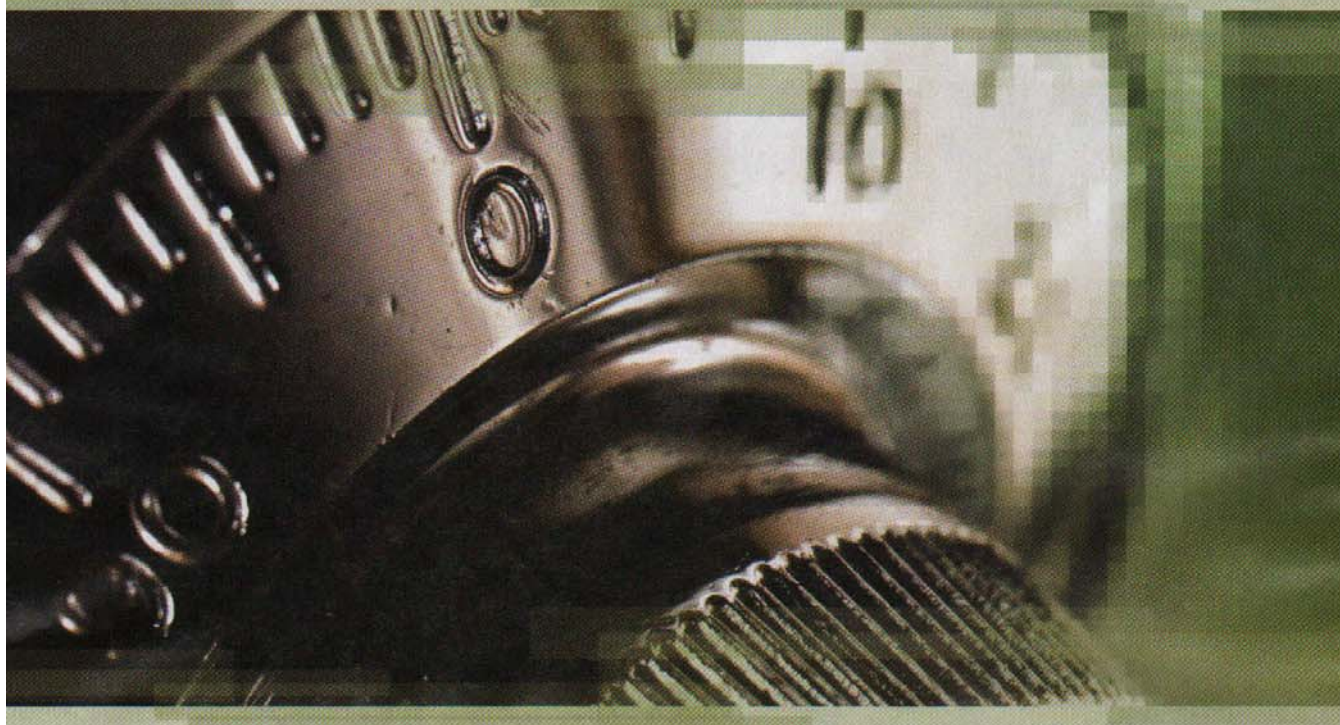
In developing this blueprint, be conservative. Take a look at your secondary sources of cash flow to repay the debt and guarantees to borrow in this new world, and make realistic future projections. Clearly identify your target customer base and the pricing of products or services, and build a spreadsheet of your projected expenses and profit margins for the first year. Knowing these details will help lenders see the business from your perspective, and they may be more comfortable taking a calculated risk on a new venture.

Although we are seeing signs of economic recovery, the reality is that most banks are still resistant to taking risks on the heels of the mortgage meltdown and fragile loan and investment portfolios, thus leaving small business owners fighting an uphill battle. Our job is to manage risk, so the more bulletproof the business plan, the higher the likelihood of receiving a loan.

There are incentives for some banks to participate in guaranteed loan programs for small business owners, such as micro-finance programs and loans with the Small Business Administration, including the SBA-504 program. This commercial real estate loan can help a qualified business owner purchase a building to house the company for as little as a 10 percent down payment, plus closing costs.

Developing a business plan with accurate and conservative cash flow projections is important in good times and bad, but is more important now than ever. This tangible expression of a business owner's thought process is crucial to the quest for capital. While starting a business is an exciting process, don't forget to do your due diligence. Wearing the shoes of a conservative banking lender can help you enhance the likelihood of receiving a loan, as well as better prepare you for your first year in business.

How to **unlock the vault** of capital – **now**



We asked **10 of the region's top banking executives** to answer one question that's weighing heavily on the minds of many entrepreneurs and business owners today: *'How the heck can I secure the funding I need to grow my business in this tough post-recession period?'* Here is their advice.